

MINUTES

MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN JOHN COBB**, on January 13, 2003 at
3:00 P.M., in Room 303 Capitol. {Tape: 1; Side: A}

ROLL CALL

Members Present:

Sen. John Cobb, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Kelly Gebhardt (R)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Pat Murdo, Legislative Branch
Mona Spaulding, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 4, 12/5/2002; SB 50, 12/9/2002
Executive Action: None.

ANNOUNCEMENTS: **CHAIRMAN COBB** gave procedural guidelines. SB 4 and SB 50 will be heard at the same time. **SENATOR ROUSH** will first give his opening statement to SB 4; then **SENATOR SHEA** will give her opening statement to SB 50. Each Senator will have from one to three proponents speak for their bill. The hearing will then be open to public testimony. Try to keep public testimony under four minutes. If you are going to repeat someone else's testimony, just state that you agree with that person. If you can summarize your written testimony, it will be helpful. Sign the visitor register if you testify. There will be two days of

hearings: Today and Wednesday, January 15--also to be held at 3:00 p.m. in room 303. The hearing will end each day at 5:30 p.m.

CHAIRMAN COBB said the bills were emotional. He asked that everyone be courteous. No action will be taken on these bills today.

Information about both bills has been placed on a table and is available to the public.

HEARING ON SB 4 AND SB 50

Sponsor SB 4: **SENATOR GLENN ROUSH, SD 43**

Sponsor SB 50: **SENATOR DEBBIE SHEA, SD 18**

Proponents SB 4: **Allen Armstrong**, President Vietnam Veterans of America (VVA) 626; **Keith Blankenship**, VVA 626; **Al Davis**; **Allen W. Erickson, Sr.**, NW Montana Veterans' Stand-down; **Mike Hampson**, VVA State President; **Mike Hankins**, Montana Korean Veteran, VVA 626; Former **Senator Don Hargrove**; **Keith Heavyrunner**, Blackfeet Nation; **Art Heffelfinger**, VVA-Montana State Council; **Carroll Jenkins**, VVA 626; **Rick Salyer**; **Mike Secrease**, VVA Service Officer; **Wilee Smith**, Persian Gulf Veteran; **Frank Stoltz**, Commander and POW, Miles City; **Larry E. Thebo**, Helena; **Edward Vilourin, Jr.**, Bozeman Chapter 788; **Joe Walsh**; **REP. JONATHAN WINDY BOY, HD 92**, Chairman Montana/Wyoming Tribal Leaders Council (MT/WY TLC); elected councilman for the Chippewa-Cree Tribe

Opponents SB 4: **Dick Baumberger**; **Angelo Bianco**, Purple Heart State Adjutant; **Hal Manson**, American Legion; Former **REP. ROBERT PAVLOVICH**

Proponents SB 50: **Michael A. Clouse**, Disabled American Veterans (DAV), United Veterans' Council, Butte; **Art Ellison**, Vietnam Veteran, American Legion; **JoAnna Ellison**, American Legion Auxiliary; **Joe Foster**, Montana Division of Veterans' Affairs (MDVA); **Fred Frisch**, American Legion, Helena; **Jim Jacobsen**; **John J. Keefe**, Vietnam Veteran, Missoula; **Don Kettner**, Board of Veterans' Affairs; **Larry Longfellow**, Veterans of Foreign Wars-Montana (VFW-MT); **Gerald Mallo**, VFW-MT; **Anthony Morris**, Valier; **Arleen Morris**, Valier; **Linda L. Neary**, American Legion Auxiliary; **Neil J. Neary**, American Legion, Department Zone Committee 456; **Carl Nordberg**, American Legion; Former **REP. ROBERT PAVLOVICH**; **Raymond K. Read**, American Legion; **Robert T. Schwegel**, VFW State Service Officer; **Joe Upshaw**, 163d Infantry Association; **Earl Vermillion**, DAV; **Gary White**, American Legion, Helena; **Dan Wilkens**, American Legion

Opponents SB 50: Renee McDaniel, veteran

No Preference SB 4 or SB 50: Fred Spillman; Don Murdock; James Santores; Joe Walsh

Opening Statement by Sponsor SB 4: Sen. Glenn Roush, SD 43, brings SB 4 at the request of the State Administration Interim Committee's Subcommittee of Veterans' Affairs, a Legislative subcommittee, and also for the State Administration on Veterans' Affairs. The four-member subcommittee was empowered by SJR 5, requested by the 57th Legislature: Former **SEN. DON HARGROVE**, **SEN. GLENN ROUSH, CHAIRMAN**, **REP. EDITH J. CLARK**, and **REP. RALPH Lenhart**. With the commitment of the State Administration of Veterans' Affairs, the subcommittee worked fourteen months. SB 4 is the unanimous decision of the four-member subcommittee and the eight-member committee of the State Administration and Veterans' Affairs Interim Committee. The bill comes partly because of Montana economics in an attempt to find money to do what is right in the Montana Division of Veterans' Affairs (MDVA), and to improve the process of dealing with veterans' organizations. SB 4 is not aimed at anyone or any veterans' organization. It addresses problems that the subcommittee uncovered, in an attempt to benefit all the veterans of Montana. We found the five-member board, appointed by the Governor, to be attached to the Department of Military Affairs (DMA), for administrative purposes only. It is a relationship, governed by statute, requiring the DMA to supervise and direct the division with the State Board of Veterans' Affairs.

Some of the issues the subcommittee addressed in SB 4 pertain to raising money--grant-writing, and a patriotic license plate, homeless veterans, communications, the coordination of various providers of veterans' services, a special revenue account from the sale of an historic license plate, income tax deductions for donations to veterans organizations, and--probably the most important--rulemaking authority. At the request of the subcommittee, and with the support of the Legislative Audit Committee, most of the findings that recommended changes are addressed in SB 4 (referring to Veterans' Affairs: A House Divided, A Report to the 58th Legislature by the State Administration and Veterans' Affairs Interim Committee for the 2001-2001 Interim). **EXHIBIT (sts06a01)** Sen. Roush said he believed there is a division among veterans on veterans' issues that he hopes can be reconciled.

In Part I, Revise State Veterans' Affairs Structure, the subcommittee recommended the Montana Division of Veterans' Affairs (MDVA) be converted to a Coordinating Council. The current five member board, all appointed by the Governor, with staggering terms, has been in existence for many years. An Administrator is hired: Joe Foster is the current Administrator.

The Board staff has 19,5 FTEs, a general fund budget of about \$700,000 annually, and a special revenue account for the State Veterans' cemeteries. Montana Veterans' Affairs Committee employees are classified as State employees and come under the state-wide classification and pay plan. They work in the central office in Helena, and in eight field offices across Montana. These people are known as State Veterans' Service Officers (VSO). They are to be commended for what they do. They have had restricted funding, and do not have the jurisdiction to oversee general fund spending from the Board of Veterans' Affairs. The tie to the DMA is with the State cemetery program.

There are approximately 107,000 veterans living in Montana. We have one of the highest ratio of veterans per capita in the nation. **SEN. ROUSH** said it was important to remember that this bill is concerned only with State veterans' services, not with federal services such as those offered at Ft. Harrison. The veterans' clinics around Montana are also federal. The authority of the Board of Veterans' Affairs is limited to the State cemeteries and a few other things. In the Performance Audit **EXHIBIT (sts06a02)**, which is not a financial audit, the focus is on veterans' assistance issues. The finding of the audit is that the Board of Montana Veterans' Affairs is in compliance with the law. The responsibility for oversight of the State Veterans' cemeteries at Ft. Harrison and Miles City lies with the Board. The present statute indicates oversight lies with the DMA. There is confusion. To clean up the present law, something should be done with one of these two bills, or some blending of the two.

Sen. Roush mentioned some of the other issues relating to the audit: The reallocation of resources to help veterans' process claims; and improving communications--largely funding computer and equipment. He said all the Board of Veterans' Affairs basically does is to take care of the cemeteries; pay \$150 death benefit; collect a \$70 grave marker fee; provide a university system waiver for all veterans in Montana; give employment preference; give access to Montana veterans' nursing homes in Glendive and Columbia Falls; provide burial in State veterans' cemeteries; issue free license plates to 100% disabled veterans; require no property tax for 100% disabled veterans; and provide for free fishing and hunting licenses for disabled veterans. These are the things in the audit that we are concerned with.

The final issue relates to rulemaking authority. There isn't one word in the audit that says there is, or is not, rulemaking authority. It is given to the DMA only for the State cemeteries. The subcommittee, and the full committee, find that the Board of Veterans' Affairs does not have rulemaking authority for general fund purposes. This is addressed in SB 4, and should be incorporated if a new bill results from this hearing.

Opening Statement by Sponsor SB 50: SEN. DEBBIE SHEA, SD

18, brought SB 50 on behalf of the American Legion, the Veterans of Foreign Wars (VFW), Disabled American Veterans (DAV), the Military Order of Purple Heart, as well as many veterans in her district and across the State. The Legislators and staff who participated in the fourteen-month interim case study, required by the 57th Legislature under SJR5, were given the responsibility to 1) identify issues likely to require future Legislative action; 2) provide opportunities to improve existing law; and 3) activate the citizenry of Montana in the operation and improvement of a state agency. **SEN. SHEA** thanked **Pat Murdo**, and **Joe Foster** for preparing the comparison sheet for SB 4 and SB 50 **EXHIBIT (sts06a03)**. She said that, in spite of the work that went into the subcommittee effort, many veterans throughout the State are not clear about the decisions that were made in the course of the interim term. There are serious issues with many of the proposals being brought forward from the subcommittee by way of SB 4. In response to these concerns, SB 50 was envisioned by veterans to better serve their membership. There are three distinct differences between the two bills:

1) SB 50 asks to revise the membership of the Board of Veterans' Affairs. Many veterans across the state feel that their issues and concerns would best be served by a broader spectrum of voices; this would be in keeping with our representative government. SB 50 proposes that the Board consist of 15 members-- eight voting members and seven ex-officio members. Six of the eight voting members must be appointed by the Governor with the consent of the Senate. All members must be residents of Montana, and have been honorably discharged from service in a military force of the U. S. Five members must be appointed to represent different geographic regions of the state, and must be reside in that region. One member must be appointed as an at-large veterans' representative. Of the voting members not appointed, one must be from the Governor's Office of Indian Affairs, and one from the Department of Public Health and Human Services. The ex-officio membership is comprised of one member of the U.S. Department of Veterans' Affairs; the U.S. Department of Labor, Veterans' and Training Services; one Legislator from the State Administrative and Veterans' Affairs Interim Committee; each of our Congressional delegates; and the Administration of the MDVA. The administration of the Board is a sensitive issue among veterans. They feel that their priorities and concerns should not be compromised. It is critical that veterans' affairs not be with the DMA, but should operate independently. When too much is put on the shoulders of the department, veterans and their issues and concerns get shuffled to the side or dismissed. SB 50 includes manageable changes to address fair and broad-based representation for Montana veterans. It includes giving the Board rulemaking authority. It all adds up to veterans directly managing the State

Veterans' Services Division--directly managing its budgets and being accountable to the veterans they serve.

2) The second component has to do with rulemaking. By way of review, rulemaking authority is Legislative power delegated to a State agency so that the agency can enact policies. Rules cannot override Statute. The Montana Administrative Procedure Act outlines that process (CH 4 in the relevant code). Currently no one has rulemaking authority for the Veterans' Board (Pg. 5, Section 3, SS 50). The DMA now has rulemaking authority for the State cemeteries (Section 6). This needs to be given to Veterans' Affairs.

3) Finally, make provision for a change in special revenue. A stable and special revenue source into the Montana Veterans Administration is critical to its ability to serve and fund veterans initiatives. SB 50 establishes a 25 cent fee that would apply to the majority of Montana vehicle licenses. There are two points in this component: First, there are only so many license plates sold in Montana. Many interest groups use this kind of revenue for their organizations--there are 14 specialty plates now, the patriotic plate would make 15. The veterans' plate garnered \$14,936 last year. A patriotic plate would probably take revenue from the veterans' plate, and we would accomplish nothing. A 25 cent fee, on the other hand, is a small contribution to make to contribute to the veterans in the state. It would establish a stable special revenue account that would fund services to Montana veterans. {Tape: 1; Side: B} Money that is generated would go to outreach program: job training, education, mental and dental services, to hire a grant writer, to Native American veterans' programs. Both bills establish State income exemptions for donations to State cemeteries or veterans' special revenue accounts; and both bills provide for the establishment of additional State veterans' cemeteries.

Proponents' Testimony SB 50: Joseph Foster, Administrator for Montana Division of Veterans' Affairs (MDVA), said SB 50 created an organizational structure and resources enabling the MDVA to service the state's 106,000 veterans and 160,000 family members to the standard mandated by the Legislature, envisioned by the Board, deserved and expected by veterans. Cost-effectiveness, staff professionalism, efficiency, and awareness and responsiveness to customer needs all are necessary to a successful, secure business. The envisioned 15-member board provides the foundation to a new era of veterans' services and agency effectiveness. The membership includes seven voting members and is inclusive enough to represent veterans' needs and support veterans' service agencies, while still small enough to focus on issues and effectively conduct business. SB 50 is modeled after the Veterans' Restorative Executive Council. The

state's geographic regions are represented on the 15-person board: ten people, as indicated in the bill, and the existing five board members. Veterans' Resource Committees, whose charters focus on major veterans services, will be comprised of both veterans service agencies and veterans; the committees will meet to discuss and resolve veterans issues, or incorporate them into executive council action. **Mr. Foster** said this looked good on paper, and it would also work.

Mr. Foster said veterans with substance abuse issues, now must travel to Washington, Wyoming, South Dakota or Utah for in-patient treatment. It hasn't been available in Montana since 1997, when the national Veterans' Affairs committee mandated to refer patients to community-based outpatient treatment programs. Through coordinated efforts between agencies, the in-patient treatment program is expected to return to Montana within 30 days, with providers in both eastern and western Montana.

Through the efforts of a Homeless Veterans' Services Committee, a promising new outreach effort into homeless veteran communities is imminent. Processes and resources are in place to provide medical, social, psychiatric and counseling services and employment opportunities. The program is ready to accept from one to three homeless veterans. It will integrate them back into mainstream society. Those veterans who make this transition will serve as role models for the homeless community. The program will make a difference one life at a time. Grant opportunities have been identified to support veteran stand-downs; they have potential to help fund these outreach events. This committee represents a partnership between the federal Veterans' Administration, the Department of Public Health and Human Services, the MDVA, and key committed veterans.

SB 50 provides for a distinct advancement in Native American Veterans' services. Seven weeks ago, the federal Veterans' Administration hosted five new Tribal Veterans' Representatives (TVR). These TVRs are now serving as direct liaison between MDVA and their tribal veterans. The training was the first of its kind in the nation, and is now known as the Montana model. It is the result of people working together; but just as important, working together within an organizational structure. SB 50 brings the right people together, defines the focus, and mandates a process which can efficiently make good things happen. It is structurally sound, has the right mix of membership, and it is responsive and accountable to its clientele--the veterans of Montana. SB 4, with an Inter-agency Coordinating Council, potentially provides for 28 members, 25 of whom are voting members. It would meet every three months. **Mr. Foster** said it was an inefficient structure, with the potential to consume his time supporting its administrative needs and prerogatives. He said he wanted to serve veterans, not be paralyzed by bureaucracy.

Mr. Foster noted that the Legislative Audit Division did a fine audit of the Division in 2002. It states that other states have veterans' assistance organizations solely assigned to their state military organizations for administrative purposes, yet provide veterans' services autonomously. **Mr. Foster** asked that he be allowed to continue testimony Wednesday in order to allow others, who may be from out of town, to testify today.

EXHIBIT(sts06a04) EXHIBIT(sts06a05) EXHIBIT(sts06a06)

Proponents' Testimony SB 50: Don Kettner, President Emeritus, Dawson Community College, Glendive, said he was recently appointed as a Board member of MDVA. He is a Korean veteran. He noted that the State Veterans' Home in Glendive, though not at capacity in its 80-bed facility, is turning away patients from the Alzheimers ward, that is at capacity. He said SB 50 provides a conduit to address such issues. Veterans and their families comprise 25% of Montana's population. He said SB 50 provided for the ideal number productive, representative, and effective membership. **EXHIBIT(sts06a07)**

Proponents' Testimony SB 50: Former REP. BOB PAVLOVICH, Butte, representing himself deferred his testimony until Wednesday in order for people from out-of-town to speak. He noted that he would read a letter from Mr. Antonetti, a veteran who can not be at the hearings.

Proponents' Testimony SB 4: Former SEN. DON HARGROVE, said he testified at the request of the sponsor and chairman to provide the background to SB 4. He has been chairman or vice-chairman on every veterans' affairs committee, sub-committee, and interim committee in the Montana State Legislature for the last eight years. SB 4 is the culmination of the work that's been done. **SEN. HARGROVE** said it was disappointing to have a division among the veterans; but that the world would not end or falter in its orbit if neither bill passed. He said, from the beginning of his dealings with veterans' issues, there has been obvious frustration and dissatisfaction among the veterans of Montana. The people working with veterans in the State don't have much to do that addresses the frustrations of the veterans. Most of the frustrations have to do with the U.S. Veterans' Affairs centered in Montana at Ft. Harrison.

The last four years' efforts have directly led to SB 4. Two interims ago, two significant things happened: 1) There was a veterans' stand-down, an expression of culminated frustrations. There is a percentage of fragile veterans: homeless veterans, veterans with post traumatic stress disorder (PTSD), those with substance abuse problems. These people have real trouble with bureaucracy. The bureaucracy involved with federal programs is incredible; our State people do a pretty good job, given their

resources. **Sen. Hargrove** said the veterans' stand-down got veterans together. They were able to talk about what was going on. As a result, Rick Salyer is on the committee representing them. General Pendergast allowed the stand-down to use Ft. Harrison facilities; then he stepped forward and formed the Montana Veterans Resource Coalition. He didn't have the authority or responsibility to do it. Because of his authority and his concern, he just did it. It included the MDVA, job services, the Department of Labor, and charitable organizations--people who could actually do something. **{Tape: 2; Side: A}**

Another event of significance was the subcommittee mandated under SJR 5. **SEN. HARGROVE** said he was chair of the over-all committee and **SEN. ROUSH** chaired the subcommittee. Significant things came from the audit the committee requested. It was one of the reasons for SB 50. There was constant communication with **U.S. SEN. BURNS**, **SEN. BAUCUS**, and **REP. REHBERG**. **REP. REHBERG** had a representative with the committee all the time. **Sen. Burns** brought the U.S. Secretary of Veterans' Affairs, **Anthony J. Principi**, to Montana.

SEN. HARGROVE said the composition of the Advisory Board and the Board of Veterans' Affairs is not terribly important to him. The important thing is funding; it isn't clear that the Legislature will be happy with a state-wide levy on license plates. He said the key point in SB 4 is to provide authority and chain of command through the Adjutant General of the State of Montana, who will be able to coordinate with the federal government. **SEN. HARGROVE** said there was another point he had inadvertently by-passed: The Department of Veterans' Affairs was not interested in working with the committee. They are good people, working hard, but coordination to get something done for veterans just hasn't been happening.

SEN. HARGROVE said he heartily endorsed SB 4. SB 50 cleans things up, but maintains the status quo; SB 4 does more.

Proponents' Testimony SB 4: Carroll Jenkins, past President, Montana Mental Health Association; past Director, National Mental Health Association; past Vice President, Western Regional Division of the National Mental Health Association, said he'd been in practice in Helena, working with veterans, for 22 years. Several years ago, **Mike Hampson**, then President of VVA 626, asked him to chair a local committee to look into the problems veterans were having getting services at Ft. Harrison and the VA hospital. The committee intended to go to the hospital to help with delivery of services. The hospital made it clear that their mission with the community was not a high priority. The committee made attempts to work with the Board of Veterans' Affairs, with Ken Jacobsen's office, with federal Legislative offices. **Dr. Jenkins** said the committee was told that each case would be

addressed individually. This was unworkable because it was not timely for the people involved, who had issues such as suicide, the need for emergency services, medication reviews, and specialty care. The committee decided to bring it to the attention of the Legislature in hopes of policy and structural change. **Dr. Jenkins** said he believes Legislative scrutiny has been the catalyst for change in the past. He gave as examples the recent contract for drug and alcohol services; almost \$1,000,000 appropriated by the federal government for mental health care; and the federal investigation at Ft. Harrison did result in some structural change. More is needed. He said SB 4 is a citizens' bill allowing the State to be more involved with veterans.

Proponents' Testimony SB 4: Art Heffelfinger, Health Care Chairman, Montana State Council, Vietnam Veterans of America (VVA-MT), Veterans' Affairs Advisory Commission to the National Governing Board of Vietnam Veterans of America, former Army officer with tours in Vietnam, Panama and the Persian Gulf, said he was his organizations' official debunker of myth. He mentioned to of them: Myth 1) That SB 4 is supported only by a small group of Helena Vietnam Veterans out of concern for their own self-interest. He said the Executive Director of the Montana-Wyoming Tribal Leaders Council strongly supported SB 4, and represented 20,000 Montana veterans. Myth 2) Service organizations have served the Montana veteran population well. There are 107,000 veterans in Montana, the second highest per capita veteran population of any state. In terms of federal dollars spent by the Veterans Administration per capita, Montana is 37th.

EXHIBIT (sts06a08)

PUBLIC TESTIMONY

Proponent SB 50: Art Ellison, Past Commander, American Legion of Montana; American Legion National Commission for Veterans Affairs and Rehabilitation, Vietnam veteran, Anaconda, explained that the purpose of the American Legion is to ensure American veterans, including Montana veterans, get the best deal they can for service to their country. He said one thing veterans do not disagree on is that the Department of Veterans Affairs does need to be restructured, and have authority. SB 4 is modeled after the Florida council. It's hard to get two people to agree on anything, let alone 28 people. In reality, the Florida is only a support council. SB 4 excludes the people needed to get federal grants. SB 50 has only 15 members. It will include veterans. SB 4 allows a patriotic license plate. There are 14 specialty plates now, and 80 additional permits. SB 50 asked for 25 cents. That will bring in approximately \$250,000 for veterans. Adjutant

General Pendergast has been great to veterans; but there is no guarantee about his successors. Since 9-11, the leadership of the Montana National Guard has changed. It is the front line of homeland security. The MDVA will be closing a few National Guard armories because of funding cuts. If veterans are members of the DMA, the fund from the Governor's Fund could easily be transferred. It would be much better for the veterans to have their own division, and the authority to do the job. Veterans have to be on the Veterans Council. Only veterans know what it's like to be a veteran. **EXHIBIT(sts06a09)**

Proponent SB 50: John Keefe, Vietnam Veteran, Missoula, said he endorsed SB 50. Rather than repeating testimony, he asked that in the Committee's deliberations to incorporate the good parts of SB 4 into the final bill. While more words are devoted to SB 50, he said it really was simpler. In the long run it will conserve assets. He mentioned that veterans in western Montana are working on a State veterans' cemetery, and will be back to the Legislature to talk about it.

Proponent SB 4: REP. JONATHAN WINDY BOY, HD 92, Chairman Montana/Wyoming Tribal Leaders Council (MT/WY TLC); elected leader for the Chippewa-Cree Tribe, spoke in support of SB 4 as an elected Tribal leader. Native Americans have served in the military since WWI. His own family has served since WWI. SB 4 is a step to recognize Native Americans, and has the full support of the Chippewa-Cree Tribal Council.

Proponent SB 50: JoAnna Ellison, departing President, American Legion Auxiliary, Anaconda, said he represents 4,500 members with units in 100 cities across Montana, who would like to have the Committee recognize SB 50.

Proponent SB 50: Joe Upshaw, 163d Infantry Association, made up of the remnants of the Montana National Guard unit called to duty in 1940. He said when veterans organizations were started in Montana, they were appreciated. Now they do much more. But in the hearing today, people are confusing what the State can do with what the Federal government can do. The **163d** favors SB 50.

Proponent SB 50: Gerald Mallo, VFW-MT and Post 5609, White Sulphur Springs stood in support to SB 50.

Proponent SB 4: Allen W. Erickson, Sr., representing himself, said he was founder/chairman of the NW Montana Veterans Stand-Down in 2000, 2001 and 2002. 2001-2002 were the largest Stand-Downs in the nation, held in Libby, Montana. There are a lot of veterans, especially Vietnam veterans, who need help and aren't getting it. Some of the veterans are not even called veterans because they did not serve in wartime. SB 4 gives veterans more recognition. There is a need to help homeless veterans, to provide transitional housing, drug and alcohol abuse programs, domestic abuse programs and other problems we just have trouble

facing. He said Native Americans should be allowed to speak for themselves.

Proponent SB 50: Michael A. Clouse, DAV, United Veterans

Council, Butte, said the United Veterans Council of Butte consists of the American Legion, Silver Box Post #1; Veterans of Foreign Wars; Disabled American Veterans, Chapter 6; and the Marine Corp League in Montana--over 1500 people. He referred to **EXHIBIT(sts06a10)**. Slightly under \$200,000,000 comes into Montana for veterans and veterans services from the federal government, not including funds for people drawing military retirement. He says 25 cents, which is not a tax, is not a lot of money to ask for improving services to veterans across Montana. Funds are needed. The Montana high line is not covered. People from Great Falls travel hundreds of miles to cover the program in the north-central part of the state.

Proponent SB 4: Keith Heavyrunner, representing the Blackfoot

Nation, and Native Americans, said Native Americans have the highest rate of enlistment among minorities because they consider it an honor to fight for freedom and to help comrades even though they, themselves, are still fighting for rights as citizens. HB 50 does not give Native Americans the right to vote, again. They have earned the right to vote in the State of Montana. He questioned a recent survey of homeless veterans that didn't include any of the reservations.

Proponent SB 50: Earl Vermillion, State Commander, DAV, Helena,

comes to speak for SB 50. It is the best of the two bills primarily because of the 25 cent fee on license places, which will help the MDVA fund things they haven't been able to do. He said MDVA should remain attached to the DMA for administrative purposes only. The DMA is a military organization while the MDVA is a civilian organization. It has functioned well since 1919 under a board. **Mr. Vermillion** said the proponents of SB 4 would better be talking to Washington D.C., but that neither bill will solve the problems at Ft. Harrison.

Proponent SB 4: Richard Salyer, representing himself, submitted his VFW and DAV Life Membership cards, saying it erased his membership to those organizations. He asked those organizations what they had done to inform their membership. He said he has been a homeless veteran and understands the problems. He has been involved with outreach programs since 1999. He supports finding grants to help support outreach programs. **{Tape: 3; Side: A}** He said SB 50 was introduced to cause conflict; and it has.

EXHIBIT(sts06a11)

Opponent SB 4: Angelo Bianco, {Tape: 3; Side: A}, State Adjutant, Volunteer Order of Purple Heart, said each generation of veterans has a commitment to the last generation, and to future generations. He said most of the frustrations veterans feel are

with federal programs. The State does very few things, with very few service officers. We need to care for people who need care, and the money just isn't there. **Mr. Bianco** said he lobbied in Washington, D.C. for four years before coming back to Montana. Of the 435 Congressional leaders in the U.S., only 30-35 have ever been in the military, and only a few of those have seen combat. There's really no one there to hear. Historically veterans organizations started in 1919-20, at the end of WWI. They were not involved in politics. The Congress, during WWI, WWII, Korea, and even the beginning of Vietnam, was mostly veterans. For the last several years, the U.S. Congress has not met its obligation on veterans health care, wherein lies 90% of the frustration. The service organization need to do a better job. **Mr. Bianco** told of a 95-year-old veteran in his organization who is a three-time purple heart, has two bronze stars and a silver star; he still marches in every ceremony in Red Lodge. Because of federal backlog, he has been waiting three years for adjudication on a heart condition. Recently, he wrote the federal government and told them to forget it; he would probably die before his case was adjudicated. He doesn't deserve that. No veteran deserves any kind of frustration.

Some of the proponents of SB 4 said they wanted to shake up the Board. The people behind SB 50 actually believe in it. Communications is the biggest problem. When something happens in Helena, the information needs to be passed along to 7,000 veterans, whether or not they belong to a service organization. Each generation to veterans has some nagging issue: WWII has the atomic veterans (but that's a federal issue); Korean veterans have the frost bite issue (but that's a federal issue; Vietnam veterans are called the forgotten veterans (but they have special incentives because they have asked, pleaded, begged to Washington: spina bifida; they are the only veterans that can be service connected for diabetes). Vietnam veterans have the highest level of hepatitis C, and yet the federal government frustrates everyone. Issues get taken down to the state level because no one knows how to separate things. There is an unfunded mandate. Gulf War veterans have over 700 diagnosed cases of Lou Gehrig's disease, over 500 cases of multiple sclerosis (of which he is one), and over 10,000 open cases that no one is hearing. But that has nothing to do with the administration of veterans affairs in Montana. It is important, however, to understand that these things don't help veterans frustrations.

There are four service organizations included in SB 4. **Mr. Bianco** said he didn't know how they were selected. No veteran of any war, of any issue, and generation, or of any organization should be left out.

Opponent SB 50: Renee McDaniel, represented herself because she is not represented by any organization. She is a veteran and a member of the Little Shell tribe. There is no representation for

Native Americans on the MDVA Board. She said it was absurd to think that one person could represent all of the different organization, or the Native American tribes. If you want to know how the veterans feel, ask the veterans. She said she works in the state, lives in the state, belongs to several organizations; but she was never asked her opinion. **Ms. McDaniel** is here in opposition of SB 50 because it does not provide enough representation across the State. **EXHIBIT(sts06a12)**

Proponent SB 4: Mike Hankins, Korean Veteran, VVA-MT 626, said he was currently President of Local Chapter 626, and represents the Chosen Few in Montana. He comes mainly as the representative of homeless veterans. Since 1998 he has been deeply involved with the rank-and-file of veterans across the State, and with the Stand-Downs. He took the homeless census in this district. He said there are at least 700 people, one-third of them combat veterans--in Montana who are receiving no help. They have asked. **Mr. Hankins** said that these people were not 170,000 or 120,000, but everyone of them was a single individual. There are mandates, but these people have given up hope that the State or the federal government will ever do anything to release them from poverty and despair that has become a way of life. The issue was brought before the Legislature 14 months ago, a subcommittee was formed, and SB 4 is the result of its work. He said it is the best answer to problems confronting organizations.

Opponent SB 4: Hal Manson, Legislative Chairman, American Legion of Montana said the American Legion voted to support SB 50 at their July Convention in Bozeman. The Legion is against SB 4. He said he has been involved with the MDVA since 1956. At that time it was under the Veterans Welfare Division. There were about 40 service officers throughout the State. Now there are eight. These eight people can't do the job. Rather than changing any laws as to how the Division is structures, what is really needed is more people in the field. **Mr. Manson** said there was no advantage at all to SB 4. The veteran will be no better off for it.

EXHIBIT(sts06a13)

Proponent SB 4: Allen Armstrong, President VVA-MT 626, life member DAV, life member VVA, said the goal, since he has been working with veterans and veterans' organizations, is to help the veteran. SB 4 more-or-less came from the Legislature, not from veterans. He is glad to support SB 4. He believes more people on the Board is a good idea. Veterans have a right to say how they are represented and to voice their opinions. He said there were a large percentage of veterans in the Indian Nations. **Mr. Armstrong** said it was unfortunate the division among veterans was there, and he hoped for a compromise. The problem seems to be between the old guard (WWI veterans) and the new guard. If a compromise isn't reached, by the year 2010 the old guard will be gone. He

said he hoped that would not be the case; all veterans want to have a voice.

Proponent SB 4: Joe Walsh, Bozeman, said he was a lifetime member of the VFW and the Marie Corp League. He's been involved with the State Administration Veterans Committee, the Veteran Resource Coalition, The Veteran Resource Council, and the Veteran Resource Interagency Council. He does not oppose SB 50, but he does support SB 4. SB 4 is based on history and research. **{Tape: 3; Side: B}** Various organizations have been represented during the process. Everyone here has the same idea: To better communicate to deliver resources to veterans, primarily homeless veterans. Some people are saying that SB 4 does not require a person on the board to be a veteran, when the first line states the person must be a veteran. If we can't get the first line right, there must be a lack of communication. **Mr. Walsh** asked the committee to refer to testimony from the veterans committee where there was much discussion regarding the same issues.

Proponent SB 4: Keith Blankenship, VVA 626, and life member of DAV, rose in support of SB 4.

Proponents' Testimony SB 50, cont: Former **REP. BOB PAVLOVICH**, speaking as one of three proponents for the sponsor, continued his testimony. He sat on the Interim Committee of Veterans starting in 1979. It took six years to formulate veterans' preference in Montana. He said he hated to see the veterans divided. There was a meeting last August with the VFW. At that time, it seemed like the proponents of SB 4 and SB 50 were going to compromise. A week later the compromise was off. **REP. PAVLOVICH** said he believed SB 50 was the best alternative of the two bills. It has the thinking of the committee that represents the entire state. It also has a funding source.

REP. PAVLOVICH read a statement from **Dan Antonietti**, VFW Legislative Chairman, **EXHIBIT(sts06a14)** who was unable to attend the hearing. **Mr. Antonietti** said the VFW opposed placing MDVA under the DMA at every meeting conducted by the State administration and Veterans' Affairs Interim Committee for the 2001-2002 Interim. He said the report submitted to the 58th Legislature by SAVAIC, page 16, makes an untrue statement without fact or foundation. It was the total membership and delegates that passed the motion to oppose SB 4. S2903, in the U.S. Senate, is a priority of the VFW and was given to the SAVA Chairman to present to **SEN. CONRAD BURNS** and **USDVA Secretary Anthony Principi**. Correspondence in Appendix D of the report does not mention this. **Mr. Antonietti** said the VFW supported SB 50. A veteran is a veteran is a veteran: not an advisory to a council.

Questions from Committee Members and Responses SB 50:

SEN. SPRAGUE asked to see a show of hands: Those people who want a bill? If you can't have your bill, how many want this Committee to make a compromise bill? He concluded those in attendance want the Committee to try to pass a bill.

SEN. SPRAGUE asked **REP. JONATHAN WINDY BOY, HD 92**, if every reservation had to have a representative; or how many representatives would be enough. **REP. WINDY BOY** said each tribe was independent. To be fair, each should be represented. But this wasn't the 1700s or the 1800s; there were no tribal wars. He asked to defer his answer until Wednesday. **SEN. SPRAGUE** asked people who would be back for Wednesday's hearing to begin to think about common ground. **REP. WINDY BOY** said, representing a coalition, he supported SB 4. **EXHIBIT(sts06a15)**

SEN. WHEAT asked **SEN SHEA** if she saw any problems with a Native American representative on the Board. **SEN. SHEA** said absolutely not.

SEN. WHEAT said it was interesting that the veterans were not a cohesive group. He asked **SEN. SHEA** to tell him how it came about. **SEN. SHEA** said she would defer the question to someone else. She said the need now was to go forward. **Joe Foster** said that knowing the opposition the Board had to the major veterans organizations participating, he went to the VVA leadership to try to work something out. The 15-person board is actually a compromise. The fundamental issue became whether the MDVA should be independent or under the auspices of the DMA.

SEN. SPRAGUE asked **SEN. ROUSH** if the organization he represented was prepared to compromise. Perhaps the bills could be merged to make a bill that would help all veterans. **SEN. ROUSH** said he was one of four members of the Interim Subcommittee of Veterans' Affairs who recommended the bill. There were panel discussions. There are many people and organizations working on veterans issues. The subcommittee found that there was a lack of communication among them. A Coordinating Council was needed to get people and ideas together. He asked to go through the bill to identify issues. He saw the main issue as the funding; but better communication is important. It is important to have Native American representation on the Board. There are eight recognized tribes in Montana--Little Shell is recognized though it has no property yet. All are sovereign Nations, wanting their own identity. Adding eight more people to the Board will be a problem. **Sen. Roush** said the 25 cent fee was attractive. He also reminded the Committee that it was State veterans services, not VA services, at issue. The Board of Veterans Affairs has always been under the DMA administratively--since 1917-1919.

{Tape: 4; Side: A} Nevertheless, there has been a lot of criticism about it. He said it was important to listen to these

concerns because there is some new vision out there. Granting rulemaking authority is important in order to let diversity be heard and provide an opportunity for change. The policy of past Boards has been to handle their business in-house.

SEN. GEBHARDT asked **Art Heffelfinger**, who had made reference to South Dakota, if he knew how South Dakota funded programs. **Mr. Heffelfinger** said South Dakota has a proactive Board. They are going to counties, the federal government, private grants, tribal grants, general revenue: a multiple source. They have a process for funding. He took exception to the idea of a vast chasm between federal and state veterans' programs. Unless the federal people are doing their job, and the state people theirs, veterans fall in the cracks. It takes a state veterans service officer to process the federal claim, to get the benefit to the veteran. **Mr. Heffelfinger** said there were three principal issues: 1) democratization. Veterans themselves should take charge of their own destiny by appointing veterans to the Board. 2) Funding. He said the 25 cent fee didn't sound bad. 3) Specific delineated responsibilities for veterans' advocates.

Closing by Sponsor SB 50: **SEN. SHEA** thanked the committee for being so attentive and committed to veterans.

Closing by Sponsor SB 4: **SEN. ROUSH** said the common good probably would be compromise, including the best of both initiatives.

Announcements: **CHAIRMAN COBB** said the hearings would continue at 3:00 p.m., Wednesday, January 15. Testimony would continue; then the Committee would begin discussion. Nothing will be done for a couple of weeks. The way I understand it, no matter what is done, there needs to be more Board members, some kind of intra-agency council, funding, specific performance indicators, and rulemaking authority. Before a bill comes out of Committee, everyone will have a change to look at it again.

SEN. SPRAGUE said, to summarize, the issues he hears coming up again and again are 1) independence, 2) funding, 3) rulemaking authority. If responsibility is delegated, authority must go with it. If 25 cents is ok, two 25 cents is better. If we can't get 50 cents, we won't get 25 cents.

Chairman Cobb asked the parties involved to think of ways to compromise, and to think about the funding mechanism.

ADJOURNMENT

Adjournment: 5:45 P.M.

SEN. JOHN COBB, Chairman

MONA SPAULDING, Secretary

JC/MS

EXHIBIT (sts06aad)